

Message Text

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15

ACTION AID-59

INFO OCT-01 EA-11 ADP-00 EB-11 DODE-00 CIAE-00 INR-10

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R 220856 Z MAY 73

FM AMEMBASSY PHNOM PENH

TO SECSTATE WASHDC 1359

INFO AMEMBASSY BANGKOK

C O N F I D E N T I A L PHNOM PENH 4977

FOR STATE/ AID

E. O. 11652: GDS

TAGS: EGEN, CB, TH

SUBJECT: THAI RICE FOR CAMBODIA

REF: (A) PHNOM PENH 4561; (B) BANGKOK 7395

1. FOLLOWING REPRESENTS ADDITIONAL INFORMATION ON ABOVE SUBJECT. WHEN SUBMITTING THE WRITTEN OFFER, KOY SAROEUN (THE KHMER BUSINESS-MAN) INFORMED LY KIM HENG, PRESIDENT OF SONEXIM, THAT THE KHMER WILL HAVE TO SIGN A CONTRACT FOR A MINIMUM OF 100,000 METRIC TONS WITH DELIVERY IN TRANCHES OF 40,000 TONS. AS STATED IN REFTEL (A), MAXIMUM AMOUNT OFFERED 200,000 METRIC TONS. WHEN LY KIM HENG CLAIMED THAT THE OFFER CANNOT BE CONSIDERED SERIOUSLY WITHOUT HAVING SOME INFORMATION AS TO THE PRICE, KOY SAREOUN INFORMED HIM THAT THE PRICE WOULD BE \$201 C&F PHNOM PENH. ALTHOUGH THE PRICE IS ATTRACTIVE, LY KIM HENG RESPONDED THAT NEITHER HE NOR THE MINISTRY OF COMMERCE WILL BE ABLE TO ACCEPT HIS OFFER WITH PAYMENT TO ACCOUNT IN HONG KONG.

2. IN FOLLOW-UP ON REFTEL (B), LY KIM HENG ASKED ON MAY 12 TH KHMERE MINISTRIES OF COMMERCE AND FOREIGN AFFAIRS TO OFFICIALLY APPROACH RTG FOR A PURCHASE OF AN ADDITIONAL 10,000 TONS OF RICE. LY KIM HENG PLANS TO GO TO BANGKOK WITHIN THIS WEEK
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TO DISCUSS THE PROPOSED PURCHASE.

3. ON MAY 15, UNITRUST, A HONG KONG FIRM, MADE A WRITTEN OFFER TO KHMER MINISTRY OF COMMERCE FOR 20,000 MT OF RICE NO. 1. 25 PERCENT BROKEN AT \$187 PER MT FOB BANGKOK. THE FIRM WAS AGAIN ASKED WHETHER THE OFFER CAN BE SUPPORTED BY RTG GUARANTEE AND RESPONDED THAT THE LATTER WILL BE GIVEN IF AND WHEN THE OFFER IS ACCEPTED. PAYMENT WAS TO BE MADE AGAIN TO HONG KONG ACCOUNT. THE GKR MINISTRY OF COMMERCE ONCE MORE DOES NOT CONSIDER THE OFFER SERIOUS AND WILL NOT ACCEPT THE PAYMENT IN HONG KONG TERMS. THE ABOVE INDICATES THAT EFFORTS TO UNDERMINE THE OFFICIAL NEGOTIATIONS CONTINUE. EMB/ ECON FEELS THAT THIS LAST OFFER IS PROBABLY ANOTHER EFFORT OF THE SAME GROUP PERHAPS REPRESENTING ANOTHER LOWER OFFER AS THE PREVIOUS ONE (AT \$201) WAS REFUSED.
SWANK

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NMAFVVZCZ

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*** Current Classification *** CONFIDENTIAL

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